

**ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING**

Wednesday, April 21, 2010

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:31 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Jeff Wood, and Commissioner Betsy Gammell

Absent: Vice Chair Bill Schmitz

Staff: John Vest, General Manager, and Matt Wisely, Superintendent

Also Present: None

1-B APPROVAL OF MINUTES

The Minutes of 01-21-10 were approved unanimously as amended

The Minutes of 02-17-10 were approved unanimously as amended

The Minutes of 03-17-10 were approved unanimously as amended

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None

3 COMMISSION COMMUNICATIONS

None

4 AGENDA ITEMS

4-A Status Report on Long Term Lease and Mif Albright Negotiations

Chair Sullwold stated the Mif Albright Negotiations have largely been handled by Joe Van Winkle. Mr. Van Winkle has been meeting with Dale Lillard and Dave Sams, the consultant for the City. They have come pretty far along in terms of agreeing on

terms and conditions for the Mif Albright operation through the Junior Golf Association. There are three major items that are still up in the air, one being the term of any such lease. The City is insisting that the term be relatively short, no more than ten years, and possibly only five years. As was reported to City Council, the Wadsworth Foundation has expressed interest in making a substantial donation toward capital improvements on the Mif. Wadsworth apparently will consider such a donation only if it has assurance that the course will remain in operation through a non-profit for a long period of time. It is not willing to contribute \$250,000 if at the end of five years the short course can be closed and the land given to a developer. If the City remains adamant about a short-term lease, it might lose what Chair Sullwold thinks is an incredible opportunity for improvements to the course. Chair Sullwold, Joe Van Winkle and Tony Corica are meeting with Dale Lillard, Dave Sams and the Interim City Manager on Friday. Chair Sullwold and Mr. Van Winkle considering whether to approach City Council members directly, as they don't believe the Council members are aware of this situation. Commissioner Gaul asked if the non-profit group had identified a minimum length of time for the lease. Chair Sullwold stated they the foundation is coming out on May 10, and will presumably address the matter at that time. Mr. Van Winkle thinks Wadsworth wants 30 years, but might live with something less than that with extension options, possibly 20 years with an option to extend another ten years.

The second issue still up in the air is whether the lease will provide that the Mif Albright Course is the exclusive Par 3 course at the Golf Complex. Although Mr. Lillard and Mr. Sams stated otherwise, Ms. Gallant told Chair Sullwold that she thought this could be worked out.

The final major outstanding issue is what money the City would pay to the Junior Golf Association out of the remaining balance of the Enterprise Fund. If contracts with both Kemper and the Alameda Junior Golf Association are reached, the Enterprise Fund would be required to be wound down under City law and the remaining amounts distributed. It is not know how the total would be allocated among the various parts of the Golf Complex -- the Clark course, the Fry course, the driving range, and the Mif course, e.g. The Wadsworth Foundation would insist that all or some of any capital donation from it be matched by other funds, and a great source of those matching funds would be money from the Enterprise Fund.

Norma Arnerich stated that she appointed Tony Corica to be involved in the negotiations on behalf of the Alameda Junior Golf Association. Mr. Van Winkle discussed with her the question of whether the Alameda Junior Golf Association would be entitled to the lease payments from the cell phone tower on the Mif course. According to the current financial reports from the City, the City received \$2,706 in lease payments in March, which Chair Sullwold believes are a combination of the cell tower lease on the Mif course and the lease of property to the left of the 16th green on the Fry course. John Vest stated that the property on the Fry course is leased to AT&T, and the cell tower on the Mif to Verizon. The Mif cell tower brings in \$1,500 per month, with about \$1,200 coming from the Fry course tower lease. Mr. Van Winkle believes that the rental income should come to the entity running the Mif.

Regarding the negotiations on the lease for the remainder of the Golf Complex, Mr. Van Winkle thought that the negotiations with Kemper had already begun, but Ms. Gallant told Chair Sullwold that they will not commence for several weeks.

Norma Arnerich asked how the consultant was being paid. Dale Lillard told Chair Sullwold that Mr. Sams was being paid a one-time fee from the Golf Enterprise Fund.

4-B Update on Golf Complex Finances

Per Bob Sullwold, the financial reports from the City once again do not make sense because the City reports its payments to Kemper as a lump sum under "Services." Unfortunately, the Kemper monthly report to the City, which gives the breakdown, was not part of the April packet. The March reports show a net loss of \$145,000, and "Services" expense of \$315,000. For the first nine months of the fiscal year, net profits are \$326,000 and net cash provided by operations is \$177,000, but payments to the City were \$652,000, requiring a draw down of the Enterprise Fund of \$573,000, leaving a balance of \$656,000. Mr. Sullwold stated that the Golf Complex continues to make a profit and continues to generate a positive cash flow, all of which is given to the City of Alameda. In terms of rounds, over the past nine months the Fry course is down about 6,000 rounds, from 46,000 to 40,000, and the Clark course is down from 34,000 to 30,000, with a corresponding decrease in revenue. Looking at the three courses for nine months, the revenues just from green fees, including monthly passes, is down \$200,000 from last year. On the positive side, the Fry course in March 2010 had 21 more rounds played than in March 2009. John Vest stated that rounds are down about 2,000 from last year, mostly due to weather.

5 ORAL REPORTS

5-A Golf Shop and Driving Range activities report by John Vest

John Vest stated that tournament bookings are about \$200,000 for 2010, in contrast to \$150,000 for last year. EZ-Go has been out again this month checking and repairing batteries, including 16 this week. Hopefully, by mid summer, all cart batteries will have been replaced. He stated that this is a common problem at golf courses, adding that two to three years years is normal for battery life. The monthly special offer is continuing, bringing in about \$5,000 in additional revenue. Demo day on April 3rd turned out great, bringing in about \$6,000 in revenue. Also, on April 3rd, there was a club drive for junior golf. They received three sets of clubs, but none was useable. Mike and Rich in the golf shop held a three day clinic for the kids during spring break. The Get Golf Ready program (five group lessons for \$99) already has 16 people signed up for the first session, whereas last year they had a total of 20 people for all the sessions.

There has been a loss of cart revenue due to the weather and the imposition of a cart path only rule on wet days. Some senior events have been canceled due to

better prices at other courses. Chair Sullwold asked if Mr. Vest felt that we needed to change any rates and he stated that he wishes he had the ability to negotiate rates with customers. Commissioner Gammell stated that she believed that City Council had given the Pro Shop the power to negotiate, but Chair Sullwold believes that this recommendation was never formally approved. Commissioner Gaul inquired whether the Shop has the authority to offer special prices. Chair Sullwold responded that specials are allowed only if the rate offered is already established in the Point-of-Sale system. John Vest stated that they are reaching out to local senior groups, offering them special rates to the extent permitted. Chair Sullwold asked if a letter should be written to the City Council requesting flexibility for the General Manager to offer such specials. The Commission members agreed to this.

5-B Golf Complex Maintenance activities report by Matt Wisely

Matt Wisely stated that we have received three inches of rain this month. On the positive side, the excessive rain is bringing back some of the redwood trees that previously appeared to be dying. The greens on the North course will be aerified on May 3 and 4. A new sewer pump has been installed at the North course restroom area. Daisies had been sprayed on the North course in the beginning of the month, and the South course and Mif will be sprayed when there is break in the weather. They are waiting for a break in the weather to repair the pot holes in the road leading into the parking lot. All the ballwashers were removed from the course and cleaned and repainted.

John Vest stated that they have already had lots of positive feedback from the Commuters Tournament.

5-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

Norma Arnerich stated that one of the Alameda juniors, Carlos Briones, is only two shots off the lead at the Commuters after the first weekend. Unfortunately, none of the junior girls made the cut. The junior tournament during spring break was a success, including the putting and chipping tournament. The price of the memorial benches has not been set as they are waiting for shipping costs.

5-D Golf Complex Restaurant Report, Jim's on the Course

John Vest stated that the only feedback he has received is regarding the hours of the shack and the operation of the cart. Commissioner Gaul stated that the service has improved.

6. COMMISSIONERS' REPORTS

6-A Marketing and Promotions, Commissioner Gammell

Commissioner Gammell stated that the Golf Shop is running a Masters Special, which includes green fees, cart and complimentary bucket of balls for \$35.00. It

runs Monday through Friday after 10:00 a.m. and runs until the end of the month. As stated earlier, they are also running Get Golf Ready, which is 5 lessons for \$99.00. A Cinco de Mayo Special will be run during the first week of May, which includes green fees, carts, bucket of balls and your first Corona for \$39.00. The Nine to Wine Special will also be run on Tuesdays at 5:30, valid for up to four players with a valid email address, which includes green fees, cart, a glass of wine or Margarita, and a personal size appetizer for \$25.00.

6-B Maintenance, Buildings, Security, Albright Course and Driving Range, Secretary Wood

John Vest stated that the police come out on a regular basis. Commissioner Gaul asked if there was a Marshal in the late afternoons and Mr. Vest stated that there is a Marshal until the Shop closes.

7. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

None

8. OLD BUSINESS

Commissioner Gaul asked if there had been any other communication regarding the transcript of the January minutes and Chair Sullwold stated there had not been. Commissioner Gammell asked Chair Sullwold if she had communicated with the Mayor regarding the unfilled positions on the Golf Commission. Chair Sullwold said she had not done so, because she has been advised that nothing would be done until there is some resolution about the future of the Golf Complex in general.

9. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for March 2010 of \$5,842. The year-to-date total to the General Fund is \$80,909.00 for FY 2009/10.

10. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease and Mif Albright Negotiations
- Update on Golf Complex Finances

11. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 7:40 p.m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.